

Attachment 02: Significant Changes for the AFS Reporting Process

Significant Changes for 2nd Quarter, FY 2005

1. The Business Line Executive, for each client, will now send their certification letters directly to their clients. The DFAS Director will no longer sign these letters, and DFAS Arlington will no longer send these letters to your clients. The process of loading these letters to the ePortal will not change.
2. Attachment 5E contains the lines of accounting (LOA) for each entity code included in the attachment. An entity code with more than 2 LOAs is linked to an attachment that lists the applicable LOAs. That attachment is in turn linked back to the basic attachment (attachment 5E). This updated document has been created to facilitate the identification of trading partners.
3. Attachment 6D, identifying reporting entities waived from the requirement to report buyer side elimination adjustments when preparing financial statements for the fiscal year, will not be issued this quarter. All waived entities have been notified under separate cover.
4. Attachment 13A, Report, Footnote or Reconciliation Mapping Changes, contains a list of the changes made to the Accounting Report (M) 1307 for the Working Capital Fund entities. Attachment 13B, Reconciliation Requirements for the Quarterly Financial Statements, has been revised to reflect the specific changes made to each of the reconciliation reports involving the 1307 report. The formats and titles for many of these 1307 reports were changed, and the reconciliations were changed accordingly.
5. Attachment 19B, PP&E Reporting Clarification, reflects guidance on reporting of Medical Facilities and Equipment and Construction in Progress.
6. The attribute "BI" was added to the accounts that are used to record other gains and losses (USSGLs 7190 and 7290). This attribute was added to reinstate the attribute combination that was deleted in the 1st Quarter, FY 2005.
7. Note 3, line 2A, "Fund Balance per Treasury," should reflect the Treasury Trial Balance (TTB) 6654 grand total plus the TTB 6655 IAS (should IAS be spelled out?) 613 less any duplication within the TTB 6654 and 6655 fund symbols. All differences between the Fund Balance **With** Treasury and Fund Balance **Per** Treasury must be disclosed in Note 3.
8. The title for Note 18 has changed to "Disclosures Related to the Statement of Net Cost." All fluctuations related to the Statement of Net Cost must be addressed within Note 18.

Changes for 1st Quarter, FY 2005:

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1. There is no longer a separate disclosure for unexpended appropriations (formally footnote 18). Footnote 3, Section B, discloses the status of fund balances (unobligated and obligated not yet disbursed). In accordance with OMB 01-09, the disclosure includes the status of all fund types (i.e., Direct, Reimbursable, Trust, Special and Other Funds type). The former footnote 18 included the status of only the direct fund type. Due to this change, footnotes 19-24 have been renumbered for FY 2005.
2. Effective FY 2005, the Statement of Budgetary Resources and the Report on Budget Execution (SF 133) separately disclose spending authority from offsetting collections that were previously unavailable on line 3D, Previously Unavailable.
3. Section V, Reconciliation #9 was established to ensure that unexpended appropriation adjustments reported on the Statement of Budgetary Resources agree with unexpended appropriation adjustments on the Statement of Changes in Net Position. This reconciliation has been added to the list of reconciliations that are required to have zero differences. (See item # 15 in the quarterly schedule)
4. The attributes for gains and losses were simplified to eliminate unnecessary attributes on the import sheet and to reduce the errors caused by selecting the inappropriate “exchange” attributes for the Statement of Financing. Attachment 13A contains specific changes.
5. Judgment fund liabilities will no longer be reported in USSGL 2990. The balances should be reported in USSGL 2110. See Attachment 8 for further details and exceptions. Any questions related to this change should be directed to Barbara Hill, barbara.hill@dfas.mil.
6. The title and column heading in footnote 4 changed. Effective 1st Quarter 2005, Note 4 disclosed the Par Value of all investments, except those related to limited partnerships. Par Value is not applicable to limited partnerships. Such investments are reported at cost. Also, the unamortized premium/discount is disclosed rather than the amortized amount.
7. New attributes were established to segregate the amortization of premium from discounts and to segregate amortization related to exchange revenue from nonexchange revenue.
8. Since the Federal Emergency Management Agency (FEMA) was transferred to Homeland Security, trading partner code 58 is no longer valid. Report transactions with FEMA under trading partner code 70, Homeland Security.
9. The DDRS PMO will release the DDRS enhancements and descriptions under separate cover.